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WASHINGTON, DC- U.S. Rep. Charlie Melancon today introduced a bill to waive the current federal requirement that hurricane disaster victims use their Louisiana Road Home grants to first pay back any loans they have received from the Small Business Administration. The Catastrophic Disaster Recovery Improvements Act, which Senator Mary Landrieu introduced in the Senate today, will specifically waive the duplication of benefits requirement under the Small Business Act for catastrophic disasters.

"Hurricane victims in south Louisiana need all the help they can get with rebuilding their homes and getting their lives back to normal," Rep. Melancon said. **"They don't need the federal government giving with one hand and taking with the other." This commonsense bill will remove a bureaucratic hurdle that could slow the recovery progress even more.**"

Currently, the SBA interprets the "duplication of benefits" rule in the Small Business Act to require Louisiana SBA disaster loan borrowers to use State-administered, Supplemental CDBG-funded housing grants ("Road Home" grants) to repay SBA Disaster Loan proceeds. This legislation provides the SBA Administrator the flexibility to fully or partially waive this rule for future major disasters and makes the changes retroactive for victims of Hurricanes Katrina, Rita and Wilma. This waiver will provide borrowers with additional funds for rebuilding while still retaining the Federal government's role to ensure financial responsibility to taxpayers.

Rep. Melancon added, **"As I told the Small Business Committee in my testimony a few weeks ago, if we force storm victims to repay their SBA loans with Road Home money, they end up no better off than if they hadn't taken the initiative to apply for an SBA loan in the first place." Under this bill, borrowers will still have to repay their SBA loans. They will just be able to repay them under the extended timeframe they originally agreed to when they got the loans. This waiver allows them to use their Road Home money for its intended purpose: rebuilding their homes and moving forward with their lives, which is a goal we can all agree on."**

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